

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA**

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In re:

Wagstaff Minnesota, Inc., Debtor.	Case No. 11-43073 Chapter 11 Case
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Wagstaff Properties Minnesota, LLC, Debtor.	Case No. 11-43076 Chapter 11 Case
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Wagstaff Management Corporation, Debtor.	Case No. 11-43081 Chapter 11 Case
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Wagstaff Properties, LLC, Debtor.	Case No. 11-43074 Chapter 11 Case
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D & D Food Management, Inc., Debtor.	Case No. 11-43084 Chapter 11 Case
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D & D Idaho Food, Inc., Debtor.	Case No. 11-43083 Chapter 11 Case
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D & D Property Investments, LLC, Debtor.	Case No. 11-43075 Chapter 11 Case
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Wagstaff Texas, Inc., Debtor.	Case No. 11-43080 Chapter 11 Case
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Wagstaff Properties Texas, LLC, Debtor.	Case No. 11-43077 Chapter 11 Case
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Wagstaff Atte Alaska, Inc., Debtor.	Case No. 11-43082 Chapter 11 Case
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Wagstaff Atte Alaska, LLC, Debtor.	Case No. 11-43078 Chapter 11 Case
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A D Bakes, Inc., Debtor.	Case No. 11-43079 Chapter 11 Case
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**DECLARATION OF DENMAN WAGSTAFF IN SUPPORT OF THE FOLLOWING  
“FIRST DAY” MOTIONS OF DEBTORS-IN-POSSESSION:**

**(1) NOTICE OF HEARING AND JOINT MOTION FOR ORDER GRANTING  
EXPEDITED RELIEF AND AUTHORIZING JOINT ADMINISTRATION OF  
ESTATES**

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**(2) NOTICE OF HEARING AND JOINT MOTION FOR EXPEDITED HEARING AND FOR AN ORDER AUTHORIZING DEBTORS TO PAY THE PREPETITION 503(b)(9) ADMINISTRATIVE CLAIMS OF CERTAIN CRITICAL VENDORS**

**(3) NOTICE OF HEARING AND JOINT MOTION FOR (I) EXPEDITED RELIEF AND (II) INTERIM AND FINAL ORDERS (A) AUTHORIZING DEBTORS' USE OF UNENCUMBERED CASH OR CASH COLLATERAL AND (B) GRANTING ADEQUATE PROTECTION**

**(4) NOTICE OF HEARING AND JOINT MOTION FOR AN EXPEDITED HEARING AND FOR AN ORDER AUTHORIZING DEBTORS TO PAY PREPETITION WAGES AND EMPLOYEE BENEFITS, CONTINUING EXISTING EMPLOYEE BENEFITS PLANS AND AUTHORIZING BANKS AND FINANCIAL INSTITUTIONS TO HONOR AND PROCESS CHECKS AND TRANSFERS RELATED TO SUCH RELIEF**

**(5) NOTICE OF HEARING AND JOINT MOTION FOR ORDER (I) GRANTING EXPEDITED RELIEF, (II) AUTHORIZING MAINTENANCE OF EXISTING BANK ACCOUNTS AND BUSINESS FORMS, AND (III) AUTHORIZING CONTINUED USE OF CASH MANAGEMENT SYSTEM**

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I, Denman Wagstaff, declare as follows:

1. I am the President of Wagstaff Management Corporation, Wagstaff Properties, LLC, Wagstaff Minnesota, Inc., Wagstaff Properties Minnesota, LLC, D&D Food Management Inc., D&D Idaho Food, Inc., D&D Property Investments LLC, Wagstaff Texas, Inc., Wagstaff Properties Texas, LLC, Wagstaff-Atte Alaska, Inc., Wagstaff-Atte Alaska, LLC, and A D Bakes, Inc. (collectively, the "Debtors"). The facts and matters set forth herein are true and based upon my own personal knowledge and, if called to testify, I could and would competently testify thereto. The books, records and information referred to below are prepared and maintained at my direction by the advisors and employees that I engaged for the Debtors and all of whom report directly to me on a regular and current basis to ensure that I am knowledgeable about all aspects of the Debtors' business.

2. The Debtors are corporations and limited liability companies owned in whole or in part by me and my wife, along with various other minority or equal owners.<sup>1</sup> A true and correct corporate ownership chart is attached hereto as Exhibit A. Pursuant to franchise agreements, the Debtor corporations (“Operating Debtors”) currently own and operate 77 “Kentucky Fried Chicken” restaurants in Alaska, California, Idaho, Minnesota and Texas, with a corporate headquarters in Hanford, California.<sup>2</sup> The Debtors that are limited liability companies (“Property Debtors”) each own real property that is leased to certain of the Operating Debtors. A true and correct copy of a chart showing the location of the Debtors’ properties and restaurants is attached hereto as Exhibit B. The Debtors are presently uncertain about the enterprise value of their businesses. The Property Debtors have no other substantial assets or operations. The Debtors currently have approximately 1,233 employees.

### **The Debtors’ Capital Structure**

3. To finance the improvement and acquisition of a majority several franchise restaurants the Debtors received financing from General Electric Capital Franchise Finance (“GEC”) and Citigroup Inc. Subsequently, GEC purchased all of the Debtors outstanding debt owed to Citigroup, Inc. In addition, for some of the stores, Perella Weinberg Partners Asset Based Value Master Fund I L.P. and Perella Weinberg Partners ABV Opportunity Master Fund II A L.P. (serviced by NFA Funding II, LLC).

4. Set forth on Exhibit B is a true and correct chart listing which stores were financed by GEC and NFA. GEC claims it is currently owed approximately \$47.5 million to GEC, which GEC alleges is secured by substantially all of the borrowing Debtors’ assets, including cash. NFA claims it is currently owed approximately \$13.6 million to Perella

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<sup>1</sup> All of the Debtors are majority owned by Wagstaff and his wife, with the exception of D&D Food Management Inc., D&D Idaho Food, Inc., D&D Property Investments Inc., which are each 50% owned by Donald and Frances Steinke.

<sup>2</sup> A D Bakes, Inc. has no assets and is solely used to pay certain employees of Wagstaff Management Corporation.

Weinberg Partners Asset Based Value Master Fund I L.P. and Perella Weinberg Partners ABV Opportunity Master Fund II A L.P. (serviced by NFA Funding II, LLC) (together with its affiliates, “NFA”), which NFA alleges is secured by substantially all of the borrowing Debtors’ assets, including cash.

5. The Debtors estimate that as of commencement of these cases they owed approximately \$1.22 million to their unsecured creditors, including the following: over \$700,000 for food and supplies and approximately \$390,000 for construction.

### **Events Leading to Chapter 11**

#### **Secured Creditors**

6. Throughout the life of the business, the Debtors have periodically financed the acquisition of new Kentucky Fried Chicken franchised restaurants and the improvement of currently owned franchised restaurants. Indeed, pursuant to the franchise agreements, the Debtors are expected to make improvements and renovations to their existing restaurants as requested by KFC Corporation (“KFC”).

7. In or around December 2005, certain of the Debtors received financing from Citigroup, Inc. for, among other things, the purchase of multiple KFC restaurants in Minnesota. As noted above, in the summer of 2008, GEC purchased all of the Debtors outstanding debt owed to Citigroup, Inc.

8. For the years following this acquisition, the Debtors continued to operate profitably and make the required renovations and other capital expenditures required by KFC. These expenditures often left the Debtors with little cash liquidity and, contrary to past experience, generated little increase in sales.

9. Starting in 2008, sales at the Debtors’ restaurants dropped significantly. The Debtors, similar to many food franchisees across the country, began experiencing a significant

slow down in business arising from the national financial crisis and corresponding reduction of consumer spending. The Debtors responded to these dramatic changes by exploring and implementing many different ways to reduce expenses and improve efficiency of operations. Since 2008, the Debtors gross profits and EBITDA were as follows:

<b><u>Year</u></b>	<b><u>Gross Profits</u></b>	<b><u>EBITDA</u></b>
2008	\$52.18 million	\$10.45 million
2009	\$48.46 million	\$8.78 million
2010	\$45.07 million	\$6.44 million

10. Faced with significant cash flow problems, the Debtors stopped making payments to GEC and NFA in mid-2009. Around this time, the Debtors hired Trinity Capital, LLC to assist the Debtors in their turnaround and restructuring efforts.

11. GEC and NFA sent notices of default to the Debtors in October and November 2009, respectively.

12. Subsequently, the Debtors and GEC entered into a forbearance agreement, which has currently been extended to July 1, 2011. The Debtors are currently paying only the interest on the amounts owed to GEC. The Debtors were unable to negotiate a forbearance agreement with NFA, but have continued to pay the interest on the amounts owed and NFA has not sought to exercise their rights or remedies. Occasionally, when the Debtors' finances permit, the Debtors have made payments on the principal of these loans.

### **Franchise Agreements**

13. In addition, the Debtors were unable to meet some of their obligations under the franchise agreements, including payments to KFC Corporation's ("KFC") advertising company, National Council and Advertising Cooperative, Inc. ("NCAC"). In the summer of 2009, due to a

significant cash flow shortage, the Debtors were unable to pay amounts owing to NCAC, and received a notice of default in August of that year.

14. On or around October 20, 2009, KFC sent letters purporting to terminate the Debtors franchise agreements with the Debtors. Subsequently, the Debtors began negotiating a reinstatement agreement with KFC whereby they would be reinstated as franchisees. During this time, the Debtors continued to operate their stores under the KFC name.

15. After extended negotiations, in August 2010, the Debtors entered into reinstatement agreements with KFC in which all of the franchise agreements were reinstated. Pursuant to the reinstatement agreements with KFC, as of May 1, 2011, KFC may assert a right to cancel the franchise agreements with the Debtors. I have received communications from KFC indicating that it is likely KFC will assert such rights.

16. If KFC were able to terminate the Debtors' franchise agreements preventing the Debtors from operating Kentucky Fried Chicken branded restaurants, it would cause irreparable harm to the estates. The Debtors' restaurants would be left without the name recognition, national advertising and other benefits associated with operating as a franchise.

17. Under these circumstances, I determined that a chapter 11 filing for each of the Debtors was necessary to preserve and maximize the value of the Debtors' assets for the benefit of all interested parties.

#### **Facts Relating To The Motion For Joint Administration**

18. The Debtors are California corporations and limited liability companies owned in whole or in part by Denman Wagstaff and his wife, Alyce Wagstaff. The Debtors engage in the business of operating Kentucky Fried Chicken franchises or hold real property that is leased by one of the franchised restaurants. In addition, the Debtors have common management and many of the same creditors and parties in interest.

### **Facts Relating To The Motion To Use Cash Collateral**

19. As a food franchisee whose value is dependent on cash flow, the Debtors must continue to operate in order to preserve the Debtors' going concern value.

20. The Debtors have prepared 13 week budgets for each Debtor and a collateral summary (collectively, the "Budget") that are attached as Exhibit C hereto. The Budget sets forth the Debtors' anticipated cash needs through July, 2011. As set forth in the Budget, the Debtors require cash for the primary purposes of: (1) payroll, (2) supplies, (3) rent, and (4) operating expenses. With respect to the purchase of supplies, the Debtors utilize three primary suppliers approved by the Debtors' franchisor. The Debtors currently are negotiating with those suppliers to continue the existing beneficial trade terms on a going forward basis. As reflected in the Budget, the Debtors project that their cash balance will increase from approximately \$133,000 on the Petition Date to approximately \$199,000 on July 30, 2011.

21. Because projections are forward-looking, they can never be entirely accurate. Thus, to protect the Debtors from fluctuations in expenses and costs, the Debtors request that they be permitted to have the flexibility to increase expenditures by up to 20% for any particular line item in the Budget, and 15% in the aggregate. Under this structure, the Debtors will have the flexibility to operate their business without disruption.

22. The Debtors will suffer irreparable harm if they cannot utilize their cash on a preliminary basis for the expenses listed in weeks 1-4 of each individual Debtor's budget, attached hereto, pending a final hearing on this Motion.

23. As reflected on the individual Budget for weeks 1 through 4, the Debtors need the immediate use of cash to meet the on-going expenses of operating their businesses, including making the next payroll for employees which will occur on or after May 3, 2011 in the approximate amount set forth in the Budget (the "Pending Payroll Obligations") and paying

payroll taxes and related employee expenses, as well as payments to trade vendors for post-petition purchases, payment of rent, utility deposits, telephone, insurance, payments to other parties that supply goods and services to the Debtors post-petition and other necessary expenses associated with the administration of the bankruptcy estates. For example, the Debtors pay substantial amounts per week for food and other supplies and require immediate use of cash to replenish inventory and continue ordinary course business operations.

24. These expenses are more specifically set forth in the Debtors' cash flow projections and Budget for the business. In sum, the Debtors have an immediate need to use approximately \$5.3 million between the Petition Date and week 4, in accordance with the Budget. Payment of all of these amounts are necessary to avoid immediate and irreparable harm to the Debtors' bankruptcy estates pending a hearing on the Motion and the Debtors by this Motion seek interim and final authority herein to utilize any cash that constitutes cash collateral for the benefit of the businesses, the bankruptcy estates and all constituents.

25. The Debtors utilize the services of a nationally recognized payroll processing service, Payroll People, to facilitate payroll obligations to its employees. The Debtors are also seeking authorization to pay prepetition portions of the Pending Payroll Obligations under a separate motion filed contemporaneously with this Motion.

26. The Debtors anticipate the entry of a final order authorizing the use of cash collateral on or around June 3, 2011. If the Debtors are unable to timely fund the Pending Payroll Obligations, the Debtors are likely to lose their approximately 1,200 employees and be unable to hire new employees. In addition, the Debtors must have use of their cash to pay certain critical vendors for goods and services necessary to operate the Restaurants. Without the interim use of cash as proposed in the Budget, the Debtors will not be able to continue operations and pursue their strategies for maximizing value, and the interests of creditors and other parties in



interest in these cases will be irreparably harmed. Therefore, cause exists to reduce notice of the hearing with respect to an interim order authorizing the use of the Debtors' cash.

27. The Debtors have cash on hand and will generate cash from continuing sales at the restaurants. As set forth in the Budget, the Debtors project that such cash will be sufficient to fund their chapter 11 administrative expenses, including post-petition operating expenses.

### **Facts Relating To The Motion To Pay Employee Wages and Benefits**

28. The Operating Debtors, collectively, have 1,233 employees the majority of whom are paid on an "hours worked" basis. The Debtors pay their employees bi-weekly based on the hours worked in the preceding 2-week period. Accordingly, immediately following each pay-day, the Debtors are 2 weeks in arrears on payroll because the time records need to be processed before the next payroll can occur. In 2010, the Debtors' average aggregate monthly payroll was approximately \$1,265,552. In addition, the Debtors reimburse eligible employees for certain out-of-pocket business expenses incurred in the ordinary course of business, such as travel expenses. By this Motion the Debtors seek to, among other things, pay unpaid compensation and related taxes within the limits of section 507(a)(4) and (5) in the approximate of \$ \$662,000.

29. This Motion also seeks to pay any the ongoing wages and benefits of Denny Wagstaff, the Debtors' president. Wagstaff's compensation includes a monthly salary of approximately \$40,000, benefits, as described below, and reimbursement of reasonable business expenses. In addition, the Debtors pay approximately \$6000 per month for a junior loan on Wagstaff's house, the proceeds of which were used by the Debtors for acquisition of KFC franchised restuarants in Minnesota. Further, the Debtors utilize vehicles owned by Wagstaff, in the ordinary course of their businesses, and in consideration the Debtors pay Wagstaff approximately \$2,200 per month.

30. The Debtors use Payroll People, Inc. (“Payroll People”) to pay their employees. Once every two weeks, Payroll People automatically withdraws funds from the Debtors’ payroll accounts to meet the payroll obligations. Prior to each bi-weekly payroll, the Debtors provide Payroll People with relevant payroll information, which Payroll People uses to electronically deduct the appropriate amounts from the Debtors’ payroll accounts for employee payroll and related taxes. Payroll People then either deposits funds in the accounts of employees that use direct deposit or issues and delivers paychecks to the restaurant locations where the checks are handed out to the employees. For certain Debtors, the paychecks are first mailed to the corporate office, which then overnight mails them to those Debtors’ restaurants. Information regarding the Debtors’ most recent payroll, the next upcoming payroll, the period that payroll covers and the amount of that payroll is attached hereto as Exhibit D.

31. In the ordinary course of business, and as is customary with most companies, the Debtors offer a benefits package to some or all of its employees (the “Employee Benefits”), including the following: (a) paid time off for holidays; (b) paid time off for vacation; (c) medical insurance; (d) dental insurance; and (e) vision insurance. The combined monthly cost of the Employee Benefits to the Debtors is approximately \$40,000 per month for all non-insider employees.

32. As described above, certain of the Debtors’ employees are permitted to take paid vacation. Certain employees have accrued vacation leave pay based upon work performed prepetition, totaling approximately \$67,255.00. A chart detailing the amounts owing by the Debtors as of the Petition Date for all accrued paid leave for the Debtors is attached hereto as Exhibit E.

33. The Debtors do not propose to pay the amounts owing for accrued paid leave in lump sum cash payments, but rather request authority to permit current employees to use their

accrued paid vacation days, and to be paid for such leave, in the ordinary course of business postpetition. With respect to the amounts accrued by former employees, to the extent that any former employee would be entitled to payment on account of unused accrued paid leave upon the termination of employment under the Debtors' employment policies or applicable law, and provided that any such former employee files and serves a timely proof of claim in this Case, such claim shall be afforded priority status under section 507(a)(4), subject to the limitations set forth therein.

34. The Debtors' intent is to continue to utilize the Payroll People postpetition, in the ordinary course of business and in the same manner as utilized prepetition, in accordance with the terms of their respective agreements with the Payroll People.<sup>3</sup>

35. The employees perform a variety of critical tasks, including daily staffing and local management of the Debtors' various restaurant locations, as well as provide direct services for the Debtors' customers. The employees' knowledge and understanding of the Debtors' operations and customer relations are essential to the effective restructuring of the Debtors' businesses. Without the continued services of the employees, an effective restructuring of the Debtors will not be possible.

36. If prepetition wage, compensation, benefit and reimbursement amounts are not received by the employees in the ordinary course, they will suffer extreme personal hardship and, in many cases, will be unable to pay their basic living expenses. Such a result would destroy employee morale and result in unmanageable employee turnover, causing immediate and pervasive damage to the Debtors' ongoing business operations, thereby resulting in immediate and irreparable harm to the Debtors and their estates.

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<sup>3</sup> The Debtors intent to utilize the Payroll People postpetition is not to be interpreted as a concession by the Debtors that their agreements with the Payroll Provider are executory contracts and/or that the Debtors' intend to assume the agreements with the Payroll Provider pursuant to section 365 of the Bankruptcy Code. The Debtors specifically reserve all rights under section 365 of the Bankruptcy Code.

### **Facts Relating to the Motion to Pay Critical Vendors**

37. The Debtors are fundamentally dependent upon the Critical Vendors to supply essential goods and/or services that are necessary for the Debtors to operate their Kentucky Fried Chicken franchises. As is set forth in more detail below, the Debtors' ability to run the business and sell Kentucky Fried Chicken-approved products is entirely dependent upon the continued business with the Critical Vendors. The Debtors have no other sources for the Critical Vendors' goods and/or services other than to purchase those provided by the Critical Vendors. The process of identifying the Critical Vendors was undertaken by the Debtors' senior management in conjunction with the Debtors' advisors. The Debtors placed a significant emphasis on the sole source nature of the Critical Vendors.

38. As set forth on Exhibit F attached hereto, lists the Debtors certain vendors that are "critical," such that their prepetition 503(b)(9) claims should be paid. These vendors are approved and certified to supply to Kentucky Fried Chicken franchises in the regions the Debtors operate restaurants. Because the Debtors do not have any alternatives to obtain substitute goods and/or services from other suppliers, they must have authority, in their discretion, to satisfy the prepetition 503(b)(9) claims of these parties to ensure that these parties continue to supply without interruption.

39. Ongoing support from the Critical Vendors is vital to maintaining the going concern value of the Debtors' businesses and to achieve the maximum return to creditors. At this precarious stage and based on the Debtors' liquidity issues, an interruption in the goods and services provided to the Debtors by the Critical Vendors would have an extremely negative effect upon the Debtors and their estates. The goods and/or services provided by the Critical Vendors must continue unabated if loss of enterprise value is to be avoided. The Debtors operate under very strict vendor requirements.

40. Accordingly, the interests of all of the Debtors and their estates and creditors will be best served if the Debtors are authorized to pay the obligations due to the Critical Vendors. In most instances, no other manufacturer or supplier is permitted to supply the required goods (in the appropriate regions) needed for the Debtors to operate the restaurants. In instances where substitute goods and/or services may exist, such as with carbon dioxide vendors, the Debtors believe that an alternate supplier cannot provide goods and services that meet the Debtors' requirement for quality and quantity in a time frame that would avoid material disruption to business operations. An alternate supplier cannot ensure availability on a cost-efficient and timely basis in the appropriate geographic areas.

41. The Debtors, as Kentucky Fried Chicken franchisees, may only use approved suppliers and distributors in accordance with the approval of KFC.

42. KFC is responsible for brand strategy, marketing programs, product specifications, food quality and safety standards and the approval and disapproval of suppliers and distributors. Franchisees then buy the approved products from the KFC approved distribution companies — which is the case for the Debtors.

43. KFC approves all vendors and products for the Kentucky Fried Chicken system. All suppliers must meet KFC required service, product and/or equipment specifications, maintain certain standards and satisfy other KFC approval criteria on an ongoing basis. In addition to meeting KFC's approval requirements, approved suppliers must meet KFC's commercial requirements to ensure continuous supply of the approved products to the Kentucky Fried Chicken system at competitive prices.

44. For distribution services, agreements with the approved distributors are negotiated by KFC on behalf of most Franchisees. As with suppliers, distributors to the Kentucky Fried Chicken system must also meet KFC's strict standards for quality and safety and must be able to

ensure continuous and reliable supply of the approved products to Kentucky Fried Chicken restaurants at competitive distribution rates.

45. As is clear, the Debtors have no other option but only to utilize vendors approved and certified by KFC and, with respect to the carbon dioxide vendors which are not required by KFC, the Debtors believe that they would be unable to find suitable alternative suppliers in their geographic regions.

#### **Facts Relating to the Motion to Maintain Cash Management Systems and Prepetition Bank Accounts**

46. In the ordinary course of business prior to the Petition Date, the Debtors maintain 28 separate bank accounts through which the Debtors manage cash receipts, credit card payments, transfers and disbursements for the Debtors' entire corporate enterprise (the "Cash Management System"). A true and correct schedule identifying all of the Debtors' prepetition bank accounts (collectively, the "Prepetition Bank Accounts") is attached hereto as Exhibit G.

47. The Debtors routinely deposit, withdraw, and otherwise transfer funds to, from and between such accounts by various methods, including checks, automatic clearing house ("ACH") and other electronic funds transfers, and direct deposits. The Prepetition Bank Accounts are maintained at Wells Fargo Bank, National Association ("Wells Fargo"), Bank of America, NA ("BofA") and two community banks.

48. The Prepetition Bank Accounts through which the Cash Management System is operated are part of the accounting and cash concentration and disbursement system employed by Debtors.

49. Each Operating Debtor has one or more accounts in which daily deposits are made by each store owned by that Operating Debtor. Those store accounts are swept into either

a concentration account or checking account held by the Operating Debtor. For certain Debtors, including those with stores in Alaska, store deposits are made directly into the checking account.

50. The Operating Debtors each have one or more concentration accounts, payroll accounts and checking accounts, as necessary. At the appropriate time, funds are transferred from either the concentration account or checking account into the payroll account and Payroll People, the Debtors' payroll servicer, directly withdraws from this account to effectuate payment to the employees of that Operating Debtor.<sup>4</sup> The remaining funds in any concentration accounts are transferred to the checking accounts, which are used to fund accounts payable and other necessary expenses.

51. The majority of the bank accounts are with Wells Fargo and Bank of America (the "Approved Bank Accounts") and a few of the bank accounts are with United Security Bank and Santa Lucia Bank which are not "Authorized Depositories" (the "Non-Approved Bank Accounts").

52. With the exception of D&D Property Investments, LLC, none of the Property Debtors have bank accounts – all amounts owed to creditors by the Property Debtors are paid by the Operating Debtor lessee.

53. D&D Property Investments has an account holding a *de minimis* amount of money that is used a few times a year to make certain small payments. As noted on Exhibit G, the Operating Debtors also have a limited number of other bank accounts that, for historical reasons, are largely inactive and only hold *de minimis* funds (all accounts with *de minimis funds* are hereinafter referred to as the "De Minimis Accounts").

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<sup>4</sup> The only exception is A D Bakes, Inc., which is a separate entity with its own payroll accounts that are funded from Wagstaff Management Corporation's checking account to pay certain of Wagstaff Management Corporation's employees. A D Bakes, Inc. receives not other funds from any of the Debtors and pays no funds on behalf of any of the Debtors.

54. The Debtors have utilized their Cash Management System substantially in its current structure as part of their ordinary, usual and essential business practices. If the Debtors were required to close the Prepetition Bank Accounts and open new bank accounts, the Debtors would have to make arrangements with their credit card processing company, payroll servicer and other third parties to ensure that payments and withdrawals are properly redirected. This effort, along with the administrative process that the Debtors must undertake with a bank to establish new accounts with substantially the same functionality, would create a significant delay in having funds available to operate the Debtors' businesses and pay creditors post-petition. By allowing the Debtors to maintain the Prepetition Bank Accounts other than the *De Minimis* Accounts, all parties in interest, including employees, creditors, and the Estates, will benefit and the Debtors' rehabilitative efforts will be promoted.

55. The Debtors will continue to maintain records with respect to transfers of cash, so that transactions can be ascertained, traced and recorded properly on applicable intercompany accounts. The Debtors will also have the Prepetition Bank Accounts and associated checks indicate that the accounts are for debtors in possession.<sup>5</sup>

56. Additionally, the Debtors will close the Non-Approved Bank Accounts and reopen them with "Approved Depositories" (either Wells Fargo or Bank of America).

57. The Debtors represent that, to the best of their ability, no prepetition checks will be honored, unless authorized by separate order of the Court. Except as otherwise ordered by this Court, the Debtors' banks will be advised by the Debtors not to honor checks issued prior to the Petition Date on any of the Accounts.

58. The Debtors' Cash Management System constitutes customary and essential business practices and is similar to those commonly employed by corporate enterprises of

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<sup>5</sup> While the Debtors have ordered checks noting that they are "debtors-in-possession," they will stamp such language on their current checks until they receive the new checks.



comparable size and complexity, especially in the fast food industry. Multi-entity businesses use such systems because of the numerous benefits provided, including, without limitation, the ability to: (a) control and monitor corporate funds; (b) ensure cash availability; and (c) reduce administrative costs by facilitating the movement of funds and the development of timely and accurate account balances and presentation information. Granting the Debtors authority to continue using the Cash Management System will help facilitate a smooth transition into their chapter 11 cases and will help avoid interference with the Debtors reorganization efforts.

59. The Debtors request that the United States Trustee temporarily waive the requirement that the Prepetition Bank Accounts be closed and new post-petition bank accounts be opened except as set forth above as to the *De Minimis* Accounts and the Non-Approved Bank Accounts. If enforced in these cases, this requirement will cause enormous disruption to the Debtors' businesses and would impair the Debtors' efforts to restructure. It is imperative to the Debtors' successful operations that vendors, employees, and taxing authorities receive timely and uninterrupted payments. The disparate nature of the Debtors' franchise locations requires the seamless ability of cash to move through the existing Cash Management System.

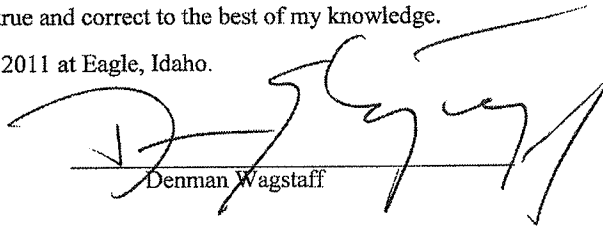
60. Maintenance of the Prepetition Bank Accounts as accounts of the debtors in possession would greatly facilitate the Debtors' transition to postpetition operations. To avoid delays in payment of debts incurred postpetition and to ensure as smooth a transition into chapter 11 as possible, the Debtors should be permitted to continue to maintain the existing Prepetition Bank Accounts and, if necessary, to open new accounts. Otherwise, a closing down and transfer of the Prepetition Bank Accounts will be tremendously disruptive and time consuming. For the same reasons, the Debtors also seek authorization to use existing business forms, before ordering replacement supplies that strictly comply with the requirements of the United States Trustee.

61. The Debtors are taking and will continue to take steps to stop payment on all prepetition debts paid by checks which have not cleared the Debtors' Prepetition Bank Accounts. As a matter of course, the Debtors will continue to maintain records regarding all transfers of cash so that all transactions can be ascertained, recorded and traced. The United States Trustee's concerns of creating a clear line of demarcation between prepetition and postpetition obligations can be satisfied here without the necessity of closing the Prepetition Bank Accounts. Subject to a prohibition against honoring prepetition checks without specific authorization of this Court, the Debtors request that the Prepetition Bank Accounts be deemed debtor in possession accounts and that the Debtors be authorized to maintain and continue the use of these accounts in the same manner and with the same account numbers, styles and forms as those employed prepetition.

62. If the relief requested herein is granted, and except as disclosed above, the Debtors will not pay, and each of the banks where the Prepetition Bank Accounts are maintained will be directed not to pay, any checks drawn on the Prepetition Bank Accounts prepetition other than as specifically authorized by this Court.

I declare that the foregoing is true and correct to the best of my knowledge.

Executed this 2nd day of May 2011 at Eagle, Idaho.

  
Denman Wagstaff

# Exhibit A

## Wagstaff Entities Ownership Chart

**Wagstaff Management Corp.**  
9 KFC; 3 KFC/A&W; 3 KFC/TB  
Denman & Alyce Wagstaff (100%)

**Wagstaff Minnesota, Inc.**  
21 KFC; 5 KFC/A&W; 2 KFC/PH  
Denman & Alyce Wagstaff (75%)  
Wendell Wagstaff (5.55%)  
Other (19.45%)

**Wagstaff Properties, LLC**  
Real estate operating company  
Denman & Alyce Wagstaff (100%)

**Wagstaff Properties Minnesota, LLC**  
Real estate operating company  
Denman & Alyce Wagstaff (100%)

**A D Bakes, Inc.**  
Denman & Alyce Wagstaff (100%)

**D&D Food Management, Inc.**

6 KFC; 3 KFC/A&W

Denman & Alyce Wagstaff (50%)

Donald & Frances Steinke (50%)

**D&D Idaho Food, Inc.**

2 KFC; 9 KFC/A&W; 3 KFC/LJS

Denman & Alyce Wagstaff (50%)

Donald & Frances Steinke (50%)

**D&D Property Investments, LLC**

Real estate operating company

Denman & Alyce Wagstaff (50%)

Donald & Frances Steinke (50%)

**Wagstaff Texas, Inc.**

3 KFC; 1 KFC/TB

Denman & Alyce Wagstaff (80%)  
Jeremy & Therese Schick (14.55%)  
Timothy & Jocelyn Murray (5.45%)

**Wagstaff-Atte Alaska, Inc.**

5 KFC; 1 KFC/LJS

Denman & Alyce Wagstaff (60%)  
Wendell Wagstaff (20%)  
Phil Atteberry (20%)

**Wagstaff Properties Texas, LLC**

Real estate operating company

Denman & Alyce Wagstaff (80%)  
Jeremy & Therese Schick (14.55%)  
Timothy & Jocelyn Murray (5.45%)

**Wagstaff-Atte Alaska, LLC**

Real estate operating company

Denman & Alyce Wagstaff (60%)  
Wendell Wagstaff (20%)  
Phil Atteberry (20%)

# Exhibit B

**Asset Listing by Property Debtors**

Store #	Store Name	Street Address	City	State	Holding Entity	Senior Creditor
2	02 - Lake Blvd.	86 Lake Blvd	Redding	CA	D&D Property Investments LLC	GE Capital
5	05 - Anderson	3088 McMurray Blvd.	Anderson	CA	D&D Property Investments LLC	GE Capital
7	07 - Yuba City	808 Colusa Ave	Yuba City	CA	D&D Property Investments LLC	GE Capital
8	08 - New Linda	1135 North Beale Road	Marysville	CA	D&D Property Investments LLC	GE Capital
9	09 - Chico	1161 Mangrove Ave	Chico	CA	D&D Property Investments LLC	GE Capital
10	10 - Oroville	1796 Oro Dam Blvd W	Oroville	CA	D&D Property Investments LLC	GE Capital
22	22 - Ontario	1688 SW 4th Ave	Ontario	OR	D&D Property Investments LLC	GE Capital
26	26 - State	3220 West State Street	Boise	ID	D&D Property Investments LLC	NFA Funding
28	28 - Boise	8440 W Overland Rd	Boise	ID	D&D Property Investments LLC	NFA Funding
29	29 - New Caldwell	5102 Cleveland Blvd	Caldwell	ID	D&D Property Investments LLC	NFA Funding
32	32 - Strawberry	6965 Glenwood Street	Boise	ID	D&D Property Investments LLC	NFA Funding
34	34 - Greenhurst	145 East Maine Ave	Nampa	ID	D&D Property Investments LLC	NFA Funding
36	36 - Fairview	1680 North Westland Drive	Boise	ID	D&D Property Investments LLC	GE Capital
37	37 - Garrity	4226 Garrity Blvd.	Nampa	ID	D&D Property Investments LLC	NFA Funding
55	55 - Abbott	1751 Abbott Road	Anchorage	AK	Wagstaff Atte Alaska, LLC	GE Capital
65	65 - Atascadero	4500 San Palo Road	Atascadero	CA	Wagstaff Properties LLC	GE Capital
73	73 - Lamont	10601 Main Street	Lamont	CA	Wagstaff Properties LLC	GE Capital
78	78 - Union	1400 Union Avenue	Bakersfield	CA	Wagstaff Properties LLC	GE Capital
80	80 - Vernon	1221 Mount Vernon Avenue	Bakersfield	CA	Wagstaff Properties LLC	GE Capital
81	81 - White	1449 White Lane	Bakersfield	CA	Wagstaff Properties LLC	GE Capital
83	83 - Panama	2700 Panama Lane	Bakersfield	CA	Wagstaff Properties LLC	GE Capital
131	131 - Rice	1624 Rice Street	St.Paul	MN	Wagstaff Properties Minnesota LLC	GE Capital
132	132 - Main	1728 Main Street	Hopkins	MN	Wagstaff Properties Minnesota LLC	GE Capital
133	133 - Broadway	1301 West Broadway Ave	Minneapolis	MN	Wagstaff Properties Minnesota LLC	GE Capital
134	134 - Bloomington	9255 Lyndale Ave	Bloomington	MN	Wagstaff Properties Minnesota LLC	GE Capital
135	135 - Chicago	2918 Chicago Ave	Minneapolis	MN	Wagstaff Properties Minnesota LLC	GE Capital
136	136 - Inver Grove Heights	3220 57th Street E	Inver Grove	MN	Wagstaff Properties Minnesota LLC	GE Capital
138	138 - University	1089 University Ave	St.Paul	MN	Wagstaff Properties Minnesota LLC	GE Capital
139	139 - Richfield	220 West 66th Street	Richfield	MN	Wagstaff Properties Minnesota LLC	GE Capital
140	140 - Beam	1938 Beam Ave	St.Paul	MN	Wagstaff Properties Minnesota LLC	GE Capital
141	141 - Brooklyn Park	8025 Brooklyn Park Blvd	Brooklyn Park	MN	Wagstaff Properties Minnesota LLC	GE Capital
145	145 - Suburban	1722 Suburban Ave	St.Paul	MN	Wagstaff Properties Minnesota LLC	GE Capital
146	146 - Oakdale	7037 10th St N	Oakdale	MN	Wagstaff Properties Minnesota LLC	GE Capital
147	147 - Mounds View	2213 Highway 10	St.Paul	MN	Wagstaff Properties Minnesota LLC	GE Capital
149	149 - Rosemount	10510 Claret Ave W	Rosemount	MN	Wagstaff Properties Minnesota LLC	GE Capital
150	150 - Savage	14165 Highway 13 S	Savage	MN	Wagstaff Properties Minnesota LLC	GE Capital
152	152 - Edinburgh	8540 Edinburgh Center Drive	Brooklyn Park	MN	Wagstaff Properties Minnesota LLC	GE Capital
255	255 - DeSoto	915 N I 35 E	Desoto	TX	Wagstaff Texas Properties LLC	NFA Funding
256	256 - Waxahachie	1209 North Highway 77	Waxahachie	TX	Wagstaff Texas Properties LLC	NFA Funding
257	257 - Polk	3806 South Polk Street	Dallas	TX	Wagstaff Texas Properties LLC	NFA Funding
259	259 - Ledbetter	2802 East Ledbetter Dr	Dallas	TX	Wagstaff Texas Properties LLC	NFA Funding



**Asset Listing by Operating Debtor**

Store #	Store Name	Street Address	City	State	Operating Company	Senior Creditor
2	02 - Lake Blvd.	86 Lake Blvd	Redding	CA	D&D Food Management, Inc.	GE Capital
3	03 - Cypress	847 Cypress Ave	Redding	CA	D&D Food Management, Inc.	GE Capital
4	04 - Red Bluff	265 Antelope Blvd	Red Bluff	CA	D&D Food Management, Inc.	GE Capital
5	05 - Anderson	3088 McMurray Blvd.	Anderson	CA	D&D Food Management, Inc.	GE Capital
7	07 - Yuba City	808 Colusa Ave	Yuba City	CA	D&D Food Management, Inc.	GE Capital
8	08 - New Linda	1135 North Beale Road	Marysville	CA	D&D Food Management, Inc.	GE Capital
9	09 - Chico	1161 Mangrove Ave	Chico	CA	D&D Food Management, Inc.	GE Capital
10	10 - Oroville	1796 Oro Dam Blvd W	Oroville	CA	D&D Food Management, Inc.	GE Capital
11	11 - Chico Mall	1980 East 20th Street	Chico	CA	D&D Food Management, Inc.	GE Capital
22	22 - Ontario	1688 SW 4th Ave	Ontario	OR	D&D Idaho Food, Inc.	GE Capital
23	23 - Caldwell	1003 Cleveland Blvd	Caldwell	ID	D&D Idaho Food, Inc.	NFA Funding
24	24 - Meridian	677 East 1st Street	Meridian	ID	D&D Idaho Food, Inc.	NFA Funding
25	25 - Nampa	177 Caldwell Blvd	Nampa	ID	D&D Idaho Food, Inc.	NFA Funding
26	26 - State	3220 West State Street	Boise	ID	D&D Idaho Food, Inc.	NFA Funding
28	28 - Boise	8440 W Overland Rd	Boise	ID	D&D Idaho Food, Inc.	NFA Funding
29	29 - New Caldwell	5102 Cleveland Blvd	Caldwell	ID	D&D Idaho Food, Inc.	NFA Funding
30	30 - Federal	3545 Federal Way	Boise	ID	D&D Idaho Food, Inc.	NFA Funding
31	31 - Chinden	13375 West Chinden Blvd	Boise	ID	D&D Idaho Food, Inc.	NFA Funding
32	32 - Strawberry	6965 Glenwood Street	Boise	ID	D&D Idaho Food, Inc.	NFA Funding
33	33 - Market Place	1639 East Idaho Ave	Ontario	OR	D&D Idaho Food, Inc.	NFA Funding
34	34 - Greenhurst	145 East Maine Ave	Nampa	ID	D&D Idaho Food, Inc.	NFA Funding
36	36 - Fairview	1680 North Westland Drive	Boise	ID	D&D Idaho Food, Inc.	GE Capital
37	37 - Garrity	4226 Garrity Blvd.	Nampa	ID	D&D Idaho Food, Inc.	NFA Funding
52	52 - Muldoon	100 Muldoon Road	Anchorage	AK	Wagstaff Atte Alaska, Inc.	GE Capital
53	53 - Northern Lights	123 W Northern Lights Blvd	Anchorage	AK	Wagstaff Atte Alaska, Inc.	GE Capital
54	54 - Bragaw	3922 San Jeronimo Street	Anchorage	AK	Wagstaff Atte Alaska, Inc.	GE Capital
55	55 - Abbott	1751 Abbott Road	Anchorage	AK	Wagstaff Atte Alaska, Inc.	GE Capital
57	57 - Tudor	4315 Old Seward Hwy	Anchorage	AK	Wagstaff Atte Alaska, Inc.	GE Capital
58	58 - Lake Otis	2512 East Tudor Road	Anchorage	AK	Wagstaff Atte Alaska, Inc.	GE Capital
62	62 - Hanford	412 N Redington Street	Hanford	CA	Wagstaff Management Corporation	GE Capital
63	63 - Paso Robles	2405 Riverside Ave	Paso Robles	CA	Wagstaff Management Corporation	GE Capital
64	64 - Lemoore	1019 N Lemoore Ave	Lemoore	CA	Wagstaff Management Corporation	GE Capital
65	65 - Atascadero	4500 San Palo Road	Atascadero	CA	Wagstaff Management Corporation	GE Capital
72	72 - Taft	1117 Kern Street	Taft	CA	Wagstaff Management Corporation	GE Capital
73	73 - Lamont	10601 Main Street	Lamont	CA	Wagstaff Management Corporation	GE Capital
75	75 - Airport	703 Airport Drive	Bakersfield	CA	Wagstaff Management Corporation	GE Capital
76	76 - Rosedale	9606 Rosedale Highway	Bakersfield	CA	Wagstaff Management Corporation	GE Capital
77	77 - Columbus	2402 Columbus Street	Bakersfield	CA	Wagstaff Management Corporation	GE Capital
78	78 - Union	1400 Union Avenue	Bakersfield	CA	Wagstaff Management Corporation	GE Capital
79	79 - Brundage	3011 Brundage Lane	Bakersfield	CA	Wagstaff Management Corporation	GE Capital

Store #	Store Name	Street Address	City	State	Operating Company	Senior Creditor
80	80 - Vernon	1221 Mount Vernon Avenue	Bakersfield	CA	Wagstaff Management Corporation	GE Capital
81	81 - White	1449 White Lane	Bakersfield	CA	Wagstaff Management Corporation	GE Capital
82	82 - White & Ash	6320 White Lane	Bakersfield	CA	Wagstaff Management Corporation	GE Capital
83	83 - Panama	2700 Panama Lane	Bakersfield	CA	Wagstaff Management Corporation	GE Capital
128	128 - Cleveland	740 Cleveland Avenue	St.Paul	MN	Wagstaff Minnesota, Inc.	GE Capital
129	129 - Eden Praire	7995 Glen Lane	Eden Prairie	MN	Wagstaff Minnesota, Inc.	GE Capital
130	130 - Eagan	4585 Erin Lane	Eagan	MN	Wagstaff Minnesota, Inc.	GE Capital
131	131 - Rice	1624 Rice Street	St.Paul	MN	Wagstaff Minnesota, Inc.	GE Capital
132	132 - Main	1728 Main Street	Hopkins	MN	Wagstaff Minnesota, Inc.	GE Capital
133	133 - Broadway	1301 West Broadway Ave	Minneapolis	MN	Wagstaff Minnesota, Inc.	GE Capital
134	134 - Bloomington	9255 Lyndale Ave	Bloomington	MN	Wagstaff Minnesota, Inc.	GE Capital
135	135 - Chicago	2918 Chicago Ave	Minneapolis	MN	Wagstaff Minnesota, Inc.	GE Capital
136	136 - Inver Grove Heights	3220 57th Street E	Inver Grove	MN	Wagstaff Minnesota, Inc.	GE Capital
137	137 - Apple Valley	7641 150th St. W	Apple Valley	MN	Wagstaff Minnesota, Inc.	GE Capital
138	138 - University	1089 University Ave	St.Paul	MN	Wagstaff Minnesota, Inc.	GE Capital
139	139 - Richfield	220 West 66th Street	Richfield	MN	Wagstaff Minnesota, Inc.	GE Capital
140	140 - Beam	1938 Beam Ave	St.Paul	MN	Wagstaff Minnesota, Inc.	GE Capital
141	141 - Brooklyn Park	8025 Brooklyn Park Blvd	Brooklyn Park	MN	Wagstaff Minnesota, Inc.	GE Capital
142	142 - Crystal	6817 Bass Lake Road	Crystal	MN	Wagstaff Minnesota, Inc.	GE Capital
143	143 - Northtown	8770 University Ave NW	Coon Rapids	MN	Wagstaff Minnesota, Inc.	GE Capital
144	144 - Robert	1560 Robert St. S	St.Paul	MN	Wagstaff Minnesota, Inc.	GE Capital
145	145 - Suburban	1722 Suburban Ave	St.Paul	MN	Wagstaff Minnesota, Inc.	GE Capital
146	146 - Oakdale	7037 10th St N	Oakdale	MN	Wagstaff Minnesota, Inc.	GE Capital
147	147 - Mounds View	2213 Highway 10	St.Paul	MN	Wagstaff Minnesota, Inc.	GE Capital
148	148 - Brooklyn Center	5430 Brooklyn Blvd	Brooklyn Center	MN	Wagstaff Minnesota, Inc.	GE Capital
149	149 - Rosemount	10510 Claret Ave W	Rosemount	MN	Wagstaff Minnesota, Inc.	GE Capital
150	150 - Savage	14165 Highway 13 S	Savage	MN	Wagstaff Minnesota, Inc.	GE Capital
151	151 - Vadnais Heights	930 East County Rd	Vadnais Heights	MN	Wagstaff Minnesota, Inc.	GE Capital
152	152 - Edinburgh	8540 Edinburgh Center Drive	Brooklyn Park	MN	Wagstaff Minnesota, Inc.	GE Capital
153	153 - Riverdale	3220 124th Ave NW	Coon Rapids	MN	Wagstaff Minnesota, Inc.	GE Capital
154	154 - Columbia Heights	5060 Central Ave NE	Columbia Heights	MN	Wagstaff Minnesota, Inc.	GE Capital
155	155 - Burnsville	14150 County Road 5	Burnsville	MN	Wagstaff Minnesota, Inc.	GE Capital
255	255 - DeSoto	915 N I 35 E	Desoto	TX	Wagstaff Texas, Inc.	NFA Funding
256	256 - Waxahachie	1209 North Highway 77	Waxahachie	TX	Wagstaff Texas, Inc.	NFA Funding
257	257 - Polk	3806 South Polk Street	Dallas	TX	Wagstaff Texas, Inc.	NFA Funding
259	259 - Ledbetter	2802 East Ledbetter Dr	Dallas	TX	Wagstaff Texas, Inc.	NFA Funding

# Exhibit C

	<b>FILING DATE</b> 4/30/2011	<b>WEEK 1 ENDED</b> 5/7/2011	<b>WEEK 2 ENDED</b> 5/14/2011	<b>WEEK 3 ENDED</b> 5/21/2011	<b>WEEK 4 ENDED</b> 5/28/2011	<b>Interim Totals Week 1-4</b>	<b>WEEK 5 ENDED</b> 6/4/2011	<b>WEEK 6 ENDED</b> 6/11/2011	<b>WEEK 7 ENDED</b> 6/18/2011	<b>WEEK 8 ENDED</b> 6/25/2011	<b>WEEK 9 ENDED</b> 7/2/2011	<b>WEEK 10 ENDED</b> 7/9/2011	<b>WEEK 11 ENDED</b> 7/16/2011	<b>WEEK 12 ENDED</b> 7/23/2011	<b>WEEK 13 ENDED</b> 7/30/2011	<b>Final Totals Week 1-13</b>
Beginning Cash	133,935	133,935	511,859	1,130,451	605,214	133,935	779,813	512,048	1,155,535	868,001	638,152	250,579	761,805	354,827	380,968	133,935
Cash Inflows		2,088,256	1,382,342	1,362,458	1,427,414	6,260,469	1,525,822	1,444,492	1,415,846	1,335,808	1,443,053	1,276,717	1,277,922	1,256,545	1,383,294	18,619,968
Cash Outflows		(1,710,331)	(763,750)	(1,887,695)	(965,565)	(5,327,341)	(1,793,587)	(801,005)	(1,703,380)	(1,270,907)	(1,830,627)	(765,491)	(1,684,901)	(935,653)	(1,564,357)	(17,677,248)
Restructuring fees/costs					(287,250)	(287,250)				(294,750)				(294,750)		(876,750)
Ending Cash	133,935	511,859	1,130,451	605,214	779,813	779,813	512,048	1,155,535	868,001	638,152	250,579	761,805	354,827	380,968	199,905	199,905

	<b>FILING DATE</b> 4/30/2011	<b>WEEK 1 ENDED</b> 5/7/2011	<b>WEEK 2 ENDED</b> 5/14/2011	<b>WEEK 3 ENDED</b> 5/21/2011	<b>WEEK 4 ENDED</b> 5/28/2011	<b>Interim Totals Week 1-4</b>	<b>WEEK 5 ENDED</b> 6/4/2011	<b>WEEK 6 ENDED</b> 6/11/2011	<b>WEEK 7 ENDED</b> 6/18/2011	<b>WEEK 8 ENDED</b> 6/25/2011	<b>WEEK 9 ENDED</b> 7/2/2011	<b>WEEK 10 ENDED</b> 7/9/2011	<b>WEEK 11 ENDED</b> 7/16/2011	<b>WEEK 12 ENDED</b> 7/23/2011	<b>WEEK 13 ENDED</b> 7/30/2011	<b>Final Totals Week 1-13</b>
<b>Cash Collateral Position</b>																
Cash, including credit card sales	133,935	511,859	1,130,451	605,214	779,813	779,813	512,048	1,155,535	868,001	638,152	250,579	761,805	354,827	380,968	199,905	199,905
Merchandise Inventories	666,235	666,235	666,235	666,235	666,235	666,235	666,235	666,235	666,235	666,235	666,235	666,235	666,235	666,235	666,235	666,235
<b>Secured Creditors Position</b>																
General Electric Credit Corp	44,471,948	44,471,948	44,471,948	44,471,948	44,471,948	44,471,948	44,471,948	44,471,948	44,471,948	44,471,948	44,471,948	44,471,948	44,471,948	44,471,948	44,471,948	44,471,948
National Franchise Accept	13,664,302	13,664,302	13,664,302	13,664,302	13,664,302	13,664,302	13,664,302	13,664,302	13,664,302	13,664,302	13,664,302	13,664,302	13,664,302	13,664,302	13,664,302	13,664,302

	WEEK 1 ENDED 5/7/2011	WEEK 2 ENDED 5/14/2011	WEEK 3 ENDED 5/21/2011	WEEK 4 ENDED 5/28/2011	Interim Totals Week 1-4	WEEK 5 ENDED 6/4/2011	WEEK 6 ENDED 6/11/2011	WEEK 7 ENDED 6/18/2011	WEEK 8 ENDED 6/25/2011	WEEK 9 ENDED 7/2/2011	WEEK 10 ENDED 7/9/2011	WEEK 11 ENDED 7/16/2011	WEEK 12 ENDED 7/23/2011	WEEK 13 ENDED 7/30/2011	Final Totals Week 1-13
<b><u>RESTRUCTURING FEES AND COSTS</u></b>															
PWK (Debtors' counsel)	60,000	50,000	45,000	45,000	200,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	605,000
Trinity Capital (Fin. Adv.)	9,250	9,250	9,250	9,250	37,000	9,250	9,250	9,250	9,250	9,250	9,250	9,250	9,250	9,250	120,250
Adair&Evans-(Bkpg, Accounts Payable & Cash Flow Management, BK Reporting)	9,000	9,000	9,000	9,000	36,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	117,000
M. Garner (Franchise Law)				2,500	2,500				2,500				2,500		7,500
Kahn, Soares & Conway, LLP (Outside Corp. Counsel)				2,500	2,500				2,500				2,500		7,500
Creditor Comm. Counsel			20,000	20,000	40,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	220,000
Fredriksen & Byron, PA (Local Council)				15,000	15,000				15,000				15,000		45,000
Epiq-(Notice & Claims Agent) 100%	15,000	7,500	7,500	7,500	37,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	105,000
<b>Weekly Total</b>	<b>93,250</b>	<b>75,750</b>	<b>90,750</b>	<b>110,750</b>	<b>370,500</b>	<b>90,750</b>	<b>90,750</b>	<b>90,750</b>	<b>110,750</b>	<b>90,750</b>	<b>90,750</b>	<b>90,750</b>	<b>110,750</b>	<b>90,750</b>	<b>1,227,250</b>
Payment of 75% of Professional Fees				(249,750)	(249,750)				(264,750)				(264,750)		
Payment of 100% Epiq Fee				(37,500)	(37,500)				(30,000)				(30,000)		
<b>Accrued Professional Fees</b>	<b>93,250</b>	<b>169,000</b>	<b>259,750</b>	<b>83,250</b>	<b>83,250</b>	<b>174,000</b>	<b>264,750</b>	<b>355,500</b>	<b>171,500</b>	<b>262,250</b>	<b>353,000</b>	<b>443,750</b>	<b>259,750</b>	<b>350,500</b>	

	WEEK 1 ENDED 5/7/2011	WEEK 2 ENDED 5/14/2011	WEEK 3 ENDED 5/21/2011	WEEK 4 ENDED 5/28/2011	Interim Totals Week 1-4	WEEK 5 ENDED 6/4/2011	WEEK 6 ENDED 6/11/2011	WEEK 7 ENDED 6/18/2011	WEEK 8 ENDED 6/25/2011	WEEK 9 ENDED 7/2/2011	WEEK 10 ENDED 7/9/2011	WEEK 11 ENDED 7/16/2011	WEEK 12 ENDED 7/23/2011	WEEK 13 ENDED 7/30/2011	Final Totals Week 1-13
WAGSTAFF MINNESOTA															
Beginng Cash	5,786	110,378	294,722	42,379	5,786	257,744	152,652	354,860	255,912	409,925	243,775	376,344	229,125	348,324	5,786
<u>Cash Inflows</u>															
Sales, Estimated	687,155	439,718	426,052	452,291	2,005,216	481,679	458,928	443,145	422,576	432,959	393,106	394,395	387,781	452,798	5,872,583
Sales Tax Collected	50,437	32,275	31,272	33,198	147,183	35,355	33,685	32,527	31,017	31,779	28,854	28,949	28,463	33,235	431,048
Cash Balance	743,378	582,372	752,046	527,868	2,158,185	774,779	645,265	830,532	709,505	874,662	665,734	799,687	645,369	834,358	6,309,417
<u>Cash Outflows</u>															
Sales Tax Paid	(78,000)	(39,000)	(12,000)	-	(129,000)	(39,000)	(39,000)	(39,000)	(12,000)	(39,000)	(39,000)	(39,000)	(12,000)	-	(387,000)
Franchise Royalties	-	(5,000)	(70,599)	-	(75,599)	-	(5,000)	(81,620)	-	-	(5,000)	(77,563)	-	-	(244,782)
National Advertising-KFC 1%	-	(17,650)	-	-	(17,650)	-	(20,405)	-	-	-	(19,391)	-	-	-	(57,445)
National Advertising-KFC	-	-	-	(44,124)	(44,124)	-	-	-	(51,012)	-	-	-	(48,477)	-	(143,613)
National Advertising-KFC UM	-	-	-	-	-	(56,126)	-	-	-	(64,888)	-	-	-	(61,662)	(182,676)
NFA - Grilling Ovens	-	-	(10,568)	-	(10,568)	-	-	-	(10,568)	-	-	-	(10,568)	-	(31,704)
Payroll	(228,000)	-	(228,000)	-	(456,000)	(228,000)	-	(228,000)	-	(228,000)	-	(228,000)	-	(228,000)	(1,596,000)
Rents	(73,000)	-	-	-	(73,000)	(73,000)	-	-	-	(73,000)	-	-	-	-	(219,000)
McLane-Food and Supplies	(168,000)	(140,000)	(140,000)	(140,000)	(588,000)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	(1,848,000)
Repairs/Maint/Supp/Util	(86,000)	(86,000)	(86,000)	(86,000)	(344,000)	(86,000)	(86,000)	(86,000)	(86,000)	(86,000)	(86,000)	(86,000)	(86,000)	(86,000)	(1,118,000)
Property Taxes	-	-	(162,500)	-	(162,500)	-	-	-	-	-	-	-	-	-	(162,500)
Ending Cash (Operations)	110,378	294,722	42,379	257,744	257,744	152,652	354,860	255,912	409,925	243,775	376,344	229,125	348,324	318,696	318,696

	WEEK 1 ENDED 5/7/2011	WEEK 2 ENDED 5/14/2011	WEEK 3 ENDED 5/21/2011	WEEK 4 ENDED 5/28/2011	Interim Totals Week 1-4	WEEK 5 ENDED 6/4/2011	WEEK 6 ENDED 6/11/2011	WEEK 7 ENDED 6/18/2011	WEEK 8 ENDED 6/25/2011	WEEK 9 ENDED 7/2/2011	WEEK 10 ENDED 7/9/2011	WEEK 11 ENDED 7/16/2011	WEEK 12 ENDED 7/23/2011	WEEK 13 ENDED 7/30/2011	Final Totals Week 1-13
<b>WAGSTAFF-ATTE ALASKA</b>															
Beginng Cash	21,974	18,316	71,350	39,860	21,974	76,971	15,356	36,398	3,302	33,694	(30,932)	7,469	(33,415)	(2,945)	21,974
<b>Cash Inflows</b>															
Sales, Estimated	154,341	116,734	113,555	112,206	496,837	107,859	109,742	113,247	105,047	106,497	102,101	107,177	104,323	110,978	1,463,808
NO SALES TAX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Balance	176,316	135,050	184,905	152,065	518,811	184,831	125,098	149,645	108,349	140,192	71,169	114,646	70,908	108,033	1,485,782
<b>Cash Outflows</b>															
Franchise Royalties	-	(1,700)	(20,950)	-	(22,650)	-	(1,700)	(20,247)	-	-	(1,700)	(18,964)	-	-	(65,262)
National Advertising-KFC	-	-	-	(13,094)	(13,094)	-	-	-	(12,654)	-	-	-	(11,853)	-	(37,601)
National Advertising-AFA	-	-	-	-	-	(10,475)	-	-	-	(10,124)	-	-	-	(9,482)	(30,081)
NFA-Grilling Ovens	-	-	(2,096)	-	(2,096)	-	-	(2,096)	-	-	-	(2,096)	-	-	(6,287)
Payroll	(59,000)	-	(60,000)	-	(119,000)	(60,000)	-	(62,000)	-	(62,000)	-	(65,000)	-	(65,000)	(433,000)
Rents	(37,000)	-	-	-	(37,000)	(37,000)	-	-	-	(37,000)	-	-	-	-	(111,000)
Sygma-Food & Supplies	(28,000)	(28,000)	(28,000)	(28,000)	(112,000)	(28,000)	(28,000)	(28,000)	(28,000)	(28,000)	(28,000)	(28,000)	(28,000)	(28,000)	(364,000)
McLane-Food & Supplies	(2,000)	(2,000)	(2,000)	(2,000)	(8,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(26,000)
Repairs/Maint/Supp/Util	(32,000)	(32,000)	(32,000)	(32,000)	(128,000)	(32,000)	(32,000)	(32,000)	(32,000)	(32,000)	(32,000)	(32,000)	(32,000)	(32,000)	(416,000)
Property Taxes	-	-	-	-	-	-	(25,000)	-	-	-	-	-	-	-	(25,000)
Ending Cash	18,316	71,350	39,860	76,971	76,971	15,356	36,398	3,302	33,694	(30,932)	7,469	(33,415)	(2,945)	(28,449)	(28,449)



	WEEK 1 ENDED 5/7/2011	WEEK 2 ENDED 5/14/2011	WEEK 3 ENDED 5/21/2011	WEEK 4 ENDED 5/28/2011	Interim Totals Week 1-4	WEEK 5 ENDED 6/4/2011	WEEK 6 ENDED 6/11/2011	WEEK 7 ENDED 6/18/2011	WEEK 8 ENDED 6/25/2011	WEEK 9 ENDED 7/2/2011	WEEK 10 ENDED 7/9/2011	WEEK 11 ENDED 7/16/2011	WEEK 12 ENDED 7/23/2011	WEEK 13 ENDED 7/30/2011	Final Totals Week 1-13
<b>WAGSTAFF MANAGEMENT</b>															
<b>Beginng Cash</b>	<b>2,969</b>	99,014	246,129	178,555	2,969	232,059	182,913	336,164	260,489	250,591	178,768	315,719	241,122	337,050	2,969
<b><u>Cash Inflows</u></b>															
Sales, Estimated	428,546	278,444	280,178	293,973	1,281,141	325,543	292,888	288,495	263,058	318,639	269,054	273,655	256,483	274,986	3,843,942
Sales Tax Collected	35,355	22,972	23,115	24,253	105,694	26,857	24,163	23,801	21,702	26,288	22,197	22,577	21,160	22,686	317,125
Cash Balance	466,871	400,429	549,422	496,781	1,389,804	584,460	499,964	648,460	545,250	595,518	470,019	611,950	518,764	634,723	4,164,036
<b><u>Cash Outflows</u></b>															
Sales Tax Paid	-	-	-	(92,647)	(92,647)	-	-	-	(108,331)	-	-	-	-	-	(200,978)
Franchise Royalties	-	(10,300)	(44,920)	-	(55,220)	-	(10,300)	(52,524)	-	-	(10,300)	(50,828)	-	-	(179,172)
National Advertising-KFC	-	-	-	(28,075)	(28,075)	-	-	-	(32,828)	-	-	-	(31,767)	-	(92,670)
National Advertising-AFA	-	-	-	-	-	(33,690)	-	-	-	(39,393)	-	-	-	(38,121)	(111,204)
NFA Grilling Ovens	-	-	(5,947)	-	(5,947)	-	-	(5,947)	-	-	-	-	(5,947)	-	(17,840)
Payroll	(176,000)	-	(176,000)	-	(352,000)	(176,000)	-	(176,000)	-	(176,000)	-	(176,000)	-	(176,000)	(1,232,000)
Rents	(47,857)	-	-	-	(47,857)	(47,857)	-	-	-	(47,857)	-	-	-	-	(143,571)
McLane-Food & Supplies	(86,000)	(86,000)	(86,000)	(86,000)	(344,000)	(86,000)	(86,000)	(86,000)	(86,000)	(86,000)	(86,000)	(86,000)	(86,000)	(86,000)	(1,118,000)
Repairs/Maint/Supp/Util	(58,000)	(58,000)	(58,000)	(58,000)	(232,000)	(58,000)	(58,000)	(58,000)	(58,000)	(58,000)	(58,000)	(58,000)	(58,000)	(58,000)	(754,000)
Property Taxes	-	-	-	-	-	-	(9,500)	(9,500)	(9,500)	(9,500)	-	-	-	-	(38,000)
Ending Cash (Operations)	99,014	246,129	178,555	232,059	232,059	182,913	336,164	260,489	250,591	178,768	315,719	241,122	337,050	276,602	276,602

	WEEK 1 ENDED 5/7/2011	WEEK 2 ENDED 5/14/2011	WEEK 3 ENDED 5/21/2011	WEEK 4 ENDED 5/28/2011	Interim Totals Week 1-4	WEEK 5 ENDED 6/4/2011	WEEK 6 ENDED 6/11/2011	WEEK 7 ENDED 6/18/2011	WEEK 8 ENDED 6/25/2011	WEEK 9 ENDED 7/2/2011	WEEK 10 ENDED 7/9/2011	WEEK 11 ENDED 7/16/2011	WEEK 12 ENDED 7/23/2011	WEEK 13 ENDED 7/30/2011	Final Totals Week 1-13
D&D IDAHO FOOD															
Beginng Cash	54,067	138,387	253,184	171,734	54,067	273,681	243,723	362,976	329,518	251,883	201,435	293,790	233,481	259,556	54,067
<b>Cash Inflows</b>															
Sales, Estimated	299,957	204,997	200,688	206,321	911,964	214,414	209,201	207,388	197,486	201,647	183,826	180,703	186,701	200,732	2,694,061
Sales Tax Collected	17,997	12,300	12,041	12,379	54,718	12,865	12,552	12,443	11,849	12,099	11,030	10,842	11,202	12,044	161,644
Cash Balance	372,022	355,684	465,914	390,434	1,020,749	500,960	465,476	582,807	538,852	465,629	396,290	485,335	431,384	472,332	2,909,772
<b>Cash Outflows</b>															
Sales Tax Paid	-	-	(49,806)	-	(49,806)	-	-	-	(55,678)	-	-	-	(53,526)	-	(159,010)
Franchise Royalties	-	(6,500)	(33,204)	-	(39,704)	-	(6,500)	(37,119)	-	-	(6,500)	(35,684)	-	-	(125,507)
National Advertising-KFC	-	-	-	(20,752)	(20,752)	-	-	-	(23,199)	-	-	-	(22,302)	-	(66,254)
National Advertising-AFA	-	-	-	-	-	(16,602)	-	-	-	(18,559)	-	-	-	(17,842)	(53,003)
NFA Grilling Ovens	-	-	(5,171)	-	(5,171)	-	-	(5,171)	-	-	-	(5,171)	-	-	(15,512)
Payroll	(103,000)	-	(110,000)	-	(213,000)	(110,000)	-	(115,000)	-	(115,000)	-	(115,000)	-	(115,000)	(783,000)
Rents	(34,635)	-	-	-	(34,635)	(34,635)	-	-	-	(34,635)	-	-	-	-	(103,905)
Sygma-Food and Supplies	(55,500)	(55,500)	(55,500)	(55,500)	(222,000)	(55,500)	(55,500)	(55,500)	(55,500)	(55,500)	(55,500)	(55,500)	(55,500)	(55,500)	(721,500)
McLane-Food and Supplies	(2,500)	(2,500)	(2,500)	(2,500)	(10,000)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(32,500)
Repairs/Maint/Supp/Util	(38,000)	(38,000)	(38,000)	(38,000)	(152,000)	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)	(494,000)
Property Taxes	-	-	-	-	-	-	-	-	(112,092)	-	-	-	-	-	(112,092)
Ending Cash (Operations)	138,387	253,184	171,734	273,681	273,681	243,723	362,976	329,518	251,883	201,435	293,790	233,481	259,556	243,490	243,490

	WEEK 1 ENDED 5/7/2011	WEEK 2 ENDED 5/14/2011	WEEK 3 ENDED 5/21/2011	WEEK 4 ENDED 5/28/2011	Interim Totals Week 1-4	WEEK 5 ENDED 6/4/2011	WEEK 6 ENDED 6/11/2011	WEEK 7 ENDED 6/18/2011	WEEK 8 ENDED 6/25/2011	WEEK 9 ENDED 7/2/2011	WEEK 10 ENDED 7/9/2011	WEEK 11 ENDED 7/16/2011	WEEK 12 ENDED 7/23/2011	WEEK 13 ENDED 7/30/2011	Final Totals Week 1-13
<b>D&amp;D FOOD</b>															
Beginng Cash	19,535	93,334	181,126	141,052	19,535	162,759	150,313	261,821	239,472	213,585	190,609	279,826	225,501	286,196	19,535
<b>Cash Inflows</b>															
Sales, Estimated	269,412	173,018	173,662	183,211	799,302	212,113	194,926	194,936	180,030	206,522	174,334	168,060	165,198	174,940	2,470,363
Sales Tax Collected	22,226	14,274	14,327	15,115	65,942	17,499	16,081	16,082	14,853	17,038	14,383	13,865	13,629	14,433	203,805
Cash Balance	311,174	280,626	369,115	339,377	884,780	392,372	361,321	472,839	434,355	437,146	379,326	461,751	404,329	475,568	2,693,703
<b>Cash Outflows</b>															
Sales Tax Paid	-	-	-	(61,102)	(61,102)	-	-	-	(103,189)	-	-	-	-	-	(164,292)
Franchise Royalties	-	(2,500)	(29,625)	-	(32,125)	-	(2,500)	(32,929)	-	-	(2,500)	(33,812)	-	-	(103,867)
National Advertising-KFC	-	-	-	(18,516)	(18,516)	-	-	-	(20,581)	-	-	-	(21,133)	-	(60,229)
National Advertising-AFA	-	-	-	-	-	(22,219)	-	-	-	(24,697)	-	-	-	(25,359)	(72,275)
NFA-Grilling Ovens	-	-	(3,438)	-	(3,438)	-	-	(3,438)	-	-	-	(3,438)	-	-	(10,313)
Payroll	(98,000)	-	(98,000)	-	(196,000)	(100,000)	-	(100,000)	-	(102,000)	-	(102,000)	-	(102,000)	(702,000)
Rents	(22,839)	-	-	-	(22,839)	(22,839)	-	-	-	(22,839)	-	-	-	-	(68,518)
McLane-Food & Supplies	(62,000)	(62,000)	(62,000)	(62,000)	(248,000)	(62,000)	(62,000)	(62,000)	(62,000)	(62,000)	(62,000)	(62,000)	(62,000)	(62,000)	(806,000)
Repairs/Maint/Supp/Util	(35,000)	(35,000)	(35,000)	(35,000)	(140,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(455,000)
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Cash (Operations)	93,334	181,126	141,052	162,759	162,759	150,313	261,821	239,472	213,585	190,609	279,826	225,501	286,196	251,209	251,209

	WEEK 1 ENDED 5/7/2011	WEEK 2 ENDED 5/14/2011	WEEK 3 ENDED 5/21/2011	WEEK 4 ENDED 5/28/2011	Interim Totals Week 1-4	WEEK 5 ENDED 6/4/2011	WEEK 6 ENDED 6/11/2011	WEEK 7 ENDED 6/18/2011	WEEK 8 ENDED 6/25/2011	WEEK 9 ENDED 7/2/2011	WEEK 10 ENDED 7/9/2011	WEEK 11 ENDED 7/16/2011	WEEK 12 ENDED 7/23/2011	WEEK 13 ENDED 7/30/2011	Final Totals Week 1-13
<b>WAGSTAFF TEXAS</b>															
<b>Beginng Cash</b>	<b>29,603</b>	52,431	83,940	31,634	29,603	63,848	54,341	90,566	66,558	60,474	48,925	70,657	41,012	29,537	29,603
<b><u>Cash Inflows</u></b>															
Sales, Estimated	113,467	80,932	80,893	87,268	362,561	84,653	85,289	77,397	81,469	82,757	71,901	71,779	75,386	79,871	1,073,062
Sales Tax Collected	9,361	6,677	6,674	7,200	29,911	6,984	7,036	6,385	6,721	6,827	5,932	5,922	6,219	6,589	88,528
Cash Balance	152,431	140,040	171,507	126,102	422,075	155,485	146,666	174,348	154,748	150,059	126,757	148,358	122,617	115,998	1,191,193
<b><u>Cash Outflows</u></b>															
Sales Tax Paid	-	-	(30,539)	-	(30,539)	-	-	-	(30,504)	-	-	-	(29,588)	-	(90,631)
Franchise Royalties	-	(3,100)	(14,807)	-	(17,907)	-	(3,100)	(14,790)	-	-	(3,100)	(14,346)	-	-	(53,242)
National Advertising-KFC	-	-	-	(9,254)	(9,254)	-	-	-	(9,244)	-	-	-	(8,966)	-	(27,464)
National Advertising-DFW	-	-	-	-	-	(8,144)	-	-	-	(8,134)	-	-	-	(7,890)	(24,168)
					-										
NFA Grilling Ovens	-	-	(1,527)	-	(1,527)	-	-	-	(1,527)	-	-	-	(1,527)	-	(4,580)
Payroll	(40,000)	-	(40,000)	-	(80,000)	(40,000)	-	(40,000)	-	(40,000)	-	(40,000)	-	(40,000)	(280,000)
McLane-Food & Supplies	(42,000)	(35,000)	(35,000)	(35,000)	(147,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(462,000)
Repairs/Maint/Supp/Util	(18,000)	(18,000)	(18,000)	(18,000)	(72,000)	(18,000)	(18,000)	(18,000)	(18,000)	(18,000)	(18,000)	(18,000)	(18,000)	(18,000)	(234,000)
Ending Cash (Operations)	52,431	83,940	31,634	63,848	63,848	54,341	90,566	66,558	60,474	48,925	70,657	41,012	29,537	15,108	15,108

# Exhibit D

<b>Wagstaff Mgmt. Corp.</b>	<b><i>Dates &amp; Amounts</i></b>
Most recent Ending Payroll Period	<b>April 9 thru April 16, 2011</b>
Most recent Check Date	<b>April 19, 2011</b>
Next payroll Check Date	<b>May 3, 2011</b>
For covered dates of:	<b>April 17 thru April 30, 2011</b>
Estimated Payroll for May 3rd check date	<b>\$43,039.00</b>
Estimated Payroll tax amount for 05/03/2011	<b>\$12,972.00</b>
Number of estimated Employees:	<b>85</b>

<b>A.D. Bakes Inc.</b>	<b><i>Dates &amp; Amounts</i></b>
Most recent Ending Payroll Period	<b>April 9 thru April 16, 2011</b>
Most recent Check Date	<b>April 20, 2011</b>
Next payroll Check Date	<b>May 4, 2011</b>
For covered dates of:	<b>April 17 thru April 30, 2011</b>
Estimated Payroll for May 4th check date	<b>81,744.00</b>
Estimated Payroll tax amount for 05/04/2011	<b>27,880.00</b>
Number of estimated Employees:	<b>180</b>

<b>D &amp; D Food Mgmt. Inc.</b>	<b><i>Dates &amp; Amounts</i></b>
Most recent Ending Payroll Period	<b>April 9 thru April 16, 2011</b>
Most recent Check Date	<b>April 21, 2011</b>
Next payroll Check Date	<b>May 5, 2011</b>
For covered dates of:	<b>April 17 thru April 30, 2011</b>
Estimated Payroll for May 5th check date	<b>\$64,296.00</b>
Estimated Payroll tax amount for 05/05/2011	<b>\$21,042.00</b>
Number of estimated Employees:	<b>181</b>

<b>D &amp; D Idaho Food, Inc.</b>	<b><i>Dates &amp; Amounts</i></b>
Most recent Ending Payroll Period	<b>April 9 thru April 16, 2011</b>
Most recent Check Date	<b>April 21, 2011</b>
Next payroll Check Date	<b>May 5, 2011</b>
For covered dates of:	<b>April 17 thru April 30, 2011</b>
Estimated Payroll for May 5th check date	<b>\$83,268.00</b>
Estimated Payroll tax amount for 05/03/2011	<b>\$22,888.00</b>
Number of estimated Employees:	<b>199</b>

<b>Wagstaff Atte Alaska</b>	<b><i>Dates &amp; Amounts</i></b>
Most recent Ending Payroll Period	<b>April 9 thru April 16, 2011</b>
Most recent Check Date	<b>April 20, 2011</b>
Next payroll Check Date	<b>May 4, 2011</b>
For covered dates of:	<b>April 17 thru April 30, 2011</b>
Estimated Payroll for May 4th check date	<b>\$41,585.00</b>
Estimated Payroll tax amount for 05/04/2011	<b>\$12,134.00</b>
Number of estimated Employees:	<b>111</b>

<b>Wagstaff Texas, Inc</b>	<b><i>Dates &amp; Amounts</i></b>
Most recent Ending Payroll Period	<b>April 9 thru April 16, 2011</b>
Most recent Check Date	<b>April 21, 2011</b>
Next payroll Check Date	<b>May 5, 2011</b>
For covered dates of:	<b>April 17 thru April 30, 2011</b>
Estimated Payroll for May 5th check date	<b>\$31,463.00</b>
Estimated Payroll tax amount for 05/05/2011	<b>\$7,911.00</b>
Number of estimated Employees:	<b>70</b>

<b>Wagstaff Minnesota Inc.</b>	<b><i>Dates &amp; Amounts</i></b>
Most recent Ending Payroll Period	<b>April 9 thru April 16, 2011</b>
Most recent Check Date	<b>April 22, 2011</b>
Next payroll Check Date	<b>May 6, 2011</b>
For covered dates of:	<b>April 17 thru April 30, 2011</b>
Estimated Payroll for May 6th check date	<b>\$169,171.00</b>
Estimated Payroll tax amount for 05/06/2011	<b>\$43,101.00</b>
Number of estimated Employees:	<b>406</b>

# Exhibit E



<b><u>DEBTOR</u></b>	<b><u>NUMBER OF EMPLOYEES</u></b>	<b><u>VACATION TOTALS</u></b>
A D BAKES	180	\$13,085.00
D & D FOOD MANAGEMENT	181	\$10,987.00
D & D IDAHO FOOD	199	\$7,695.00
WAGSTAFF MINNESOTA	406	\$16,650.00
WAGSTAFF TEXAS	71	\$3,900.00
WAGSTAFF ATTE ALASKA	110	\$4,181.00
WAGSTAFF MANAGEMENT CORP.	86	\$10,757.00
TOTAL	1233	\$67,255.00

# Exhibit F

**Exhibit A**

<b>Critical Vendor</b>	<b>Approximate Prepetition Amount Owing</b>
McLane Food Service, Inc. (food and supplies)	\$528,216.81
Oxarc (carbon dioxide)	\$1,901.00
Sygma Network, Inc. (food and supplies)	\$159,091.58
Pepsi Cola (Soda)	\$4,060.04
Air Liquide America, L.P. (carbon dioxide)	\$1,062.18
NuCo2, Inc. (carbon dioxide)	\$4,183.05
PFS (Pilgrims) Distribution Corporation (food and supplies)	\$8,286.89
Airgas NCN (carbon dioxide)	\$519.49
Earthgrains Baking Co's Inc. (food and supplies)	\$743.90
American Fast Freight	\$33,610.35

# Exhibit G

## **BANK ACCOUNTS**

### **WAGSTAFF-ATTE ALASKA, INC.**

Account Number	Bank Name	Description
-5703	Wells Fargo	Checking Account
-5871	Wells Fargo	Payroll Account

### **WAGSTAFF TEXAS, INC.**

Account Number	Bank Name	Description
-9174	Wells Fargo	Checking Account
-5833	Wells Fargo	Payroll Account
-8197	Bank of America	Store Deposit Account

### **WAGSTAFF MANAGEMENT CORP.**

Account Number	Bank Name	Description
-8531	Wells Fargo	Checking Account
-5855	Wells Fargo	Payroll Account
-8009	Wells Fargo	Payroll Account
-4896	Wells Fargo	Savings Account
-1584	Bank of America	Store Deposit Account
-0163	United Security Bank	Store Deposit Account
-0928	Santa Lucia Bank	Store Deposit Account
-1746	Santa Lucia Bank	Store Deposit Account
-8023	Santa Lucia Bank	Store Deposit Account

### **D&D FOOD MANAGEMENT, INC.**

Account Number	Bank Name	Description
-3673	Wells Fargo	Checking Account
-5863	Wells Fargo	Payroll Account
-0339	Bank of America	Store Deposit Account

**D&D IDAHO FOOD, INC.**

Account Number	Bank Name	Description
-3665	Wells Fargo	Checking Account
-5889	Wells Fargo	Payroll Account
-8248	Wells Fargo	Checking Account
-2553	Wells Fargo	Inactive Account
-6255	Wells Fargo	Inactive Account

**WAGSTAFF MINNESOTA, INC.**

Account Number	Bank Name	Description
-7698	Wells Fargo	Checking Account
-2431	Wells Fargo	Concentration Account
-2449	Wells Fargo	Concentration Account
-0948	Wells Fargo	Checking Account

**D&D PROPERTY INVESTMENTS, LLC**

Account Number	Bank Name	Description
-4580	Wells Fargo	Checking Account